

# Macedonia Local Government Reform Project

The United States Agency  
for International Development

## Final Report

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1999 to 2004

Administered by Development Alternatives, Inc.  
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## Macedonia Local Government Reform Project



## Final Report



## **Contents:**

<b>I. Executive Summary .....</b>	<b>3</b>
<b>II. Administrative Overview of the Project .....</b>	<b>4</b>
<b>III. Macedonian Context.....</b>	<b>5</b>
<b>IV. Overview of LGRP Activities.....</b>	<b>7</b>
Policy Reform .....	7
LGRP's Technical Assistance to Ministries of Local Self-Government, Finance, and Education and Science .....	8
Challenges in the Process of Legislative Drafting .....	9
Assistance in the Process of Legislative Drafting .....	11
Citizen Participation .....	13
CP-2 Citizen Advisory Boards (CABs) – Public Enterprises (years 3 and 4).....	13
CP-2 Municipal Officials Capacity Building (year 4).....	14
CP-3 CIC Network (years 3 to 5).....	14
CP-5 Local Government Media Training (years 2 to 4).....	15
CP-5 Citizen Information Centers (CICs) (years 2 to 5).....	15
CP-7 Public Hearings – Municipal Budgets (years 3 and 4).....	16
CP-7 Strengthening the Analytical Capacity of CICs (year 4).....	16
CP-8 Youth Leadership Initiative “MakAction” (year 3) .....	17
CP-12 Code of Ethics for Municipal Officials (year 5) .....	17
CP-13 Citizens’ Charters (year 5).....	18
CP-14 Public Education Campaign on Decentralization (year 5) .....	18
Association Development .....	19
ZELS .....	19
AFO .....	21
MAKKOM – ADKOM.....	22
Municipal Management .....	22
One-Stop Permitting Centers (OSPCs) (years 3 and 4).....	22
City Rent (Year 2).....	23
MM-1 Visible Improvements (year 4) .....	23
MM-2 Cost Allocation-Financial Management (Years 2 and 3).....	24
MM-3 Human Resource Development (years 2, 3,4, and 5).....	24
MM-4 Local Economic Development (years 3, 4 and 5).....	25
MM-7 Performance Measurement (year 3).....	25
MM-7 Public Procurement (years 3 and 4).....	26
MM-8 Water Improvement (years 2, 3 and 4) .....	26
MM-8 Stock Exchange (Virtual Parts and Services Exchange) (year 3) .....	27
MM-11 Small Municipalities Needs Assessment (year 4).....	28
MM-12 Urban Planning (years 4 and 5) .....	28
MM-13 Property Tax (years 4 and 5).....	29
Pilot Municipalities Program (year 1).....	30
Work Plan for selected pilot municipalities .....	30
<b>V. Knowledge Management .....</b>	<b>31</b>
<b>VI. Programmatic Observations.....</b>	<b>32</b>
<b>VII. Administrative Observations .....</b>	<b>33</b>

## **I. Executive Summary**

The Macedonia Local Government Reform Project of USAID (LGRP) worked in four areas: policy reform, citizen participation, association development and municipal management. Through the term of the project, more and more integration of the teams occurred to meet the complex and inter-related challenges. In each area, LGRP sought not to build institutions in every municipality but instead to develop models that work, accumulate and disseminate lessons learned and to generate toolkits for replication in the coming time of decentralization.

The Policy Team was actively engaged in development and passage of the most essential decentralization laws. On the laws on local self-government, local finance, property tax and primary and secondary education, LGRP expertise and support played a vital role without which the quality and indeed the very passage of the laws would have been in doubt.

Because of the work of LGRP's Citizen Participation Team, local governments across Macedonia have tools and toolkits for building the connection between citizens and their local government. Information centers, advisory boards, public hearings, annual reports, codes of ethics and citizen charters have all been tested and the results are available to all local governments.

LGRP was, throughout its tenure, the principal partner to the Association of the Units of Local Self-Government of the Republic of Macedonia (ZELS). In this time, ZELS became a competent and respected advocate for municipalities; its policy positions were heard and often accepted; its members were better informed and better trained. At the same time, ZELS made great strides toward efficient management and the development of sustainable, non-donor revenues.

LGRP helped an existing but troubled association of public communal enterprises, MAKKOM, reform itself as ADKOM, which shows great promise of delivering for enterprises the kind of services ZELS does for municipalities. The work with the Association of Finance Officers (AFO) was hampered by internal management and transparency issues within that organization. However, with advice from LGRP, by the end of the project, AFO appeared to be on the road to internal reform.

In five years, LGRP made significant contributions to the management capacities of the local governments. Thirteen highly-respected pilots in local economic development were created, resulting in a toolkit, with lessons learned, that can be used in all municipalities. Similarly, four pilot regions for local administration of the property tax produced invaluable information in anticipation of the devolution of that responsibility. In urban planning, nine pilots demonstrated the effectiveness of the LGRP approach, producing dramatic reductions in the time and cost of managing urban plans and issuing permits.

LGRP compiled its principal results in a Legacy document, containing the toolkits and lessons learned; that document has been disseminated in book and CD-ROM form, in

three languages, Macedonian, Albanian and English, to local governments and other interested parties throughout the country. It is available for use by USAID elsewhere. The Legacy CD-ROM is attached to the printed version of this report; for the electronic version it is available at: [www.lgrponline.com](http://www.lgrponline.com)

## **II. Administrative Overview of the Project**

LGRP began operations in October 1999. Development Alternatives, Inc. (DAI) of Bethesda, MD was the implementing contractor throughout the five year term of the project. The Task Order and Work Plan were developed under USAID Strategic Objective 2.3, “More Effective, Responsive and Accountable Local Government”. Initial personnel included Chief of Party Steven Herbaly and six local staff members. The scheduled closing date was September 30, 2002.

In the first year, Herbaly left the project; interim Chief of Party Antonio Iskander led the project until he was succeeded by Chief of Party Lawrence E. Birch. The crisis of 2001 caused the evacuation of expatriate staff from July through October. During that time local staff managed the project in country while the American staff participated from Thessaloniki, Greece. The Macedonian team members performed admirably under extremely stressful circumstances. In January 2003, William J. Althaus became Chief of Party and remained in that capacity until the close of the project. In October 2001 the local staff numbered thirteen; at the close in October 2004, there were twenty-one local staff members.

In early 2002, USAID commissioned an assessment of the local government sector in Macedonia. Following this assessment, DAI was invited to submit a technical proposal for a two year extension of the project. The proposal was accepted and the Task Order was modified to express an end date of September 28, 2004. On September 3, 2004, the Cognizant Technical Officer, Dr. Afrodita Salja, approved a thirty day no-cost extension. On October 28, 2004, LGRP ceased operations.

### **III. Macedonian Context**

The process of decentralization of government in Macedonia began, nominally, in 1998. Following the parliamentary elections in the fall of 1998, the Ministry of Local Self-Government was established. A Strategy for the reform of the system of Local Government was developed and adopted in 1999. However, because of difficult political and economic circumstances and particularly because of a lack of political will, very little, other than the development of the Strategy document, had been accomplished at the time the Local Government Reform Project began operations in October 1999.

From 1999 through spring 2001, the government of the nationalist VMRO-DPMNE and Albanian DPA parties did very little in substance to advance decentralization. Laws were drafted, coordinative bodies were created, experts were heard but nothing was enacted; neither devolution nor meaningful preparation for it actually occurred. LGRP's experts, particularly on fiscal decentralization, invested endless hours in legislative drafting and assistance. Citizen dissatisfaction was demonstrated in the local elections of 2000 in which turnover of elected local officials was over 75%.

In the spring of 2001, ethnic Albanian insurgents, demanding increased civil rights for Albanian Macedonians, commenced small military actions against Macedonian institutions. Their actions and the Government's reactions grew into a conflict that continued until August 2001. The International Community, primarily the US, NATO and the European Union, brokered a cease fire that led to the Framework Agreement (also known as the Ohrid Agreement) that sought broad and lasting resolution of the ethnic issues. At the heart of the agreement is decentralization, perceived by ethnic Albanians as a means to secure better political and economic conditions. Leaders of all the principal political parties, along with the international representatives, signed the agreement. It cannot be said that the ethnic Macedonian leaders were enthusiastic signatories but they have, in the following years, consistently characterized compliance with the Agreement as a major policy goal.

The Framework Agreement changed everything and changed nothing. The focus of all parties and the pace of activity increased dramatically but actual legislative change still came slowly. A new Law on Local Self-Government was passed in January 2002 but it left unanswered the major questions of how and when vital services like health, finance and education would be decentralized. To achieve actual devolution, at least eighty other laws would have to be written or amended. Progress on these remained stalled.

In October 2002, scheduled parliamentary elections took place relatively calmly and uneventfully. Voters ousted VMRO/DPA and turned the government over to a new coalition between the socialist SDSM party and a new Albanian party, the Democratic Union for Integration (DUI). The latter party was, and remains, controversial partly because its founder and leader, Ali Ahmeti, was the leader of the 2001 uprising that is still viewed by many ethnic Macedonians as terrorist in nature. Nevertheless, DUI became a full partner in the new government, holding several key ministries. Complicating its position has been the fact that DUI holds no mayors' offices, having

been founded after the last local elections. Most of the mayors' offices in majority-Albanian municipalities continued to be held by the much-weakened DPA.

The Government installed at the end of 2002 made clear public commitments to decentralization and both the pace and substance did increase significantly. With much encouragement from the International Community and extensive technical assistance from LGRP, the key laws on local finance and education were passed in 2004. These laws set an implementation date of January 1, 2005.

Several factors greatly complicated and threatened to derail the process. On 26 February, 2004, the President of the Republic of Macedonia, Boris Trajkovski, was killed in a plane crash on his way to a conference in Bosnia. The Constitution requires election of a new president within forty days; the mourning for President Trajkovski and the election of his successor were both accomplished in a dignified, politically mature way. This tragedy did, however, set back the timetable by several months. The fact that the Prime Minister, Branko Crvenkovski, was elected president and was replaced by the relatively inexperienced finance minister, Hari Kostov, was another complicating factor.

The most disruptive influence arose from a provision of the Framework Agreement requiring that the boundaries of the municipalities be reorganized. This was included for two reasons; first, efficient government would require a significant reduction in the number of local governments, eliminating many that are too small to manage basic services under the new governmental scheme; second, territorial reorganization was viewed by many ethnic Albanians as a way to achieve more majority-Albanian municipalities and therefore more mayors and more political influence.

Unfortunately, the government conducted the planning of the highly-sensitive reorganization completely in secret. The deliberations and criteria were never fully revealed but it appears that the decisions were made ultimately as a result of political negotiation within the ruling coalition, rather than being grounded on precepts of good government. The resulting public outcry among ethnic Macedonians who felt that several municipalities were being "given" to the ethnic Albanians led to a constitutional referendum seeking to reverse the decision. The overwhelming majority of those participating voted to reject the Government's plan and the referendum failed only for lack of the requisite fifty percent participation. The end result was great exacerbation of ill will and serious damage to the timetable. The local elections, before which no devolution could occur, had to be postponed until March 2005. The effective date of the first phase of devolution therefore had to be postponed until July 2005.

Despite all the disruptions, tensions, arguments and delays during this five year period, Macedonia did move to the very threshold of decentralization. Arguably, it could have happened more smoothly or quickly but it did happen. This report will demonstrate that USAID, through the Local Government Reform Project, played a vital and positive role in this difficult process.

## IV. Overview of LGRP Activities

*The following is not intended to be a full description of the five years of work by LGRP. For detail on programs, budgets and results, reference is made to the complete project documents previously filed with USAID and to the document CD-ROM containing the same; as noted, the Legacy CD-ROM, with lessons learned and toolkits, is attached to printed versions of this report and is available at [www.lgrponline.com](http://www.lgrponline.com).*

LGRP's work was conducted through four teams, tracking the Intermediate Results under Strategic Objective 2.3, as follows:

- Policy Reform  
*IR 2.3.1: Local Governments have increased responsibility and financial resources*
- Citizen Participation  
*IR 2.3.2: Effective relationship between citizens and local government exists*
- Association Development  
*IR 2.3.3: Municipal associations satisfactorily serve the interests of their members*
- Municipal Management  
*IR 2.3.4: Local governments improve the management of municipal services*

A matrix showing where each activity was conducted is attached as an appendix.

### **Policy Reform**

#### **Background**

Over the life of LGRP, the Policy Reform Team has provided technical assistance to the Macedonian central government and the Association of the Units of Local Self-Government (ZELS) in the area of policy making and drafting of the principal pieces of legislation regulating the system of local government. By the end of the program, the Macedonian Parliament adopted key pieces of legislation vital to decentralization including: the Law on Local Self-Government, the Law on Local Government Finance, the Law on Territorial Organization of the Local Self-Government in Macedonia and the Law on the Municipality of Skopje.

The general idea of the legislative framework regulating Macedonia's local government system was to create a stable system of financially viable municipalities that have capacity to provide services for which they would be accountable before their citizens.



The Law on Local Self-Government provided for decentralization by outlining that authority be transferred through sectoral legislation. The Local Government Finance Law transferred revenue-raising authority to the municipalities, created their financial system and instituted two phases of fiscal decentralization. The initial phase would begin with the establishment of the new municipalities. The Territorial Organization Law, passed early August 2004 created fewer municipalities with the idea that entities of this size and configuration would have sufficient capacity to raise their own revenue and that municipal services could be organized more efficiently.

The Law on Territorial Organization, in which some municipalities alters ethnic balance, has been highly controversial within parliament and the general public. Namely, the political opposition called for a referendum to annul the Law and succeeded in collecting 150,000 citizens' signatures, with a resulting referendum scheduled for 7 November, 2004. This has in turn postponed the local elections originally scheduled for October 2004 until the end of March 2005. Also, as per the Law on Referenda, if the referendum is successful in annulling the legislation, the Government cannot initiate the adoption of the same law within a year of the referendum.

These events have made the schedule of the implementation of decentralization somewhat uncertain. The process was originally scheduled to begin this coming January 2005. This date has now been postponed until the establishment of the new councils and election of new Mayors, which will probably be well into 2005, if not later.

Regardless of when it begins, to be successful, the first phase of decentralization must demonstrate that it is a process towards better governance, and that it creates conditions where services would be performed by the authority closest to the citizens in a most efficient and transparent way.

Many issues remain to be addressed and resolved and technical assistance will be structured to support the activities of the Government of Macedonia to make decentralization work.

### **LGRP's Technical Assistance to Ministries of Local Self-Government, Finance, and Education and Science**

In the five years of the program, the LGRP's Policy Reform Team provided technical assistance to the Ministries of Local Self-Government, Finance and Education and Science in varied and important ways. This included legislative drafting, continuous technical assistance, guidance, aid and support in creating and using the critical working groups and constant encouragement.

The technical assistance included preparing policy and issue papers, meeting with principals, participating in working group meetings for legislative drafting, organizing conferences on specific issues, providing comments on pieces of legislation, discussing

policy issues with the relevant stakeholders, and discussing policy issues with other donor organizations.

The Policy Reform Team, supplemented by local and international short-term technical expertise, participated in the drafting of the following pieces of legislation:

- The Law on Local Self-Government
- The Law on Local Government Finance
- The Law on Property Taxes
- The Law on Communal Fees
- The Law on Primary Education
- The Law on Secondary Education
- The financial provisions of the Law on the Municipality of Skopje.

### **Challenges in the Process of Legislative Drafting**

- Inherited Ministry Exclusive Process of Legislative Drafting
- Initially Weak Position of the Association of the Units of Local Self-Government (ZELS)
- Lack of Data or the Analytical Tools Necessary to Make Rational Choices between Reasonable Options
- Poor Communication of Policy Options within the Ministries Themselves
- Poor Communication and Coordination among Line Ministries

### **Inherited Ministry Exclusive Process of Legislative Drafting**

The previous system of legislative drafting in Macedonia was confined to the ministries. University professors were usually hired to draft pieces of legislation, ministry staff provided the technical support, the Government approved the concept and the Parliament adopted the Law. Only those pieces of legislation that were to go through a three phase adoption process were made public in the second phase – one where the Government had adopted the concept of the law. ‘Made public’ meant interested parties could provide written comments to the legislator.

### **Initially Weak Position of the Association of the Units of Local Self-Government**

At the beginning of the Macedonia Local Government Reform Project, the Association of the Units of Local Self-Government (ZELS), the main stakeholder in the process of reforms in the system of local self-government, had very little, if any, influence in policy making. It was an association that was very much influenced by the central government.

The 1995 Law on Local Self-Government regulated the establishment and operation of such an association, and membership of all municipalities was an understood concept. The Association of Local Governments used Government office space and its principal members of the political party in power did not oppose the central government. Such an institution was hardly in a position to represent or lobby for the interests of local governments.

### **Lack of Data or Analytical Tools Necessary to Make Rational Choices between Reasonable Options**

Under the former territorial organization of the country by 34 municipalities, the state agencies including the line ministries and the Statistical Office, maintained a sound system of data collection and analyses. Unfortunately, the increase of the number of municipalities was not accompanied with the collection and analyses of the data reflecting the new territorial organization. Instead, the government agencies and line ministries maintained the former 34 municipalities in their data collection and analyses. As decentralization activities moved forward, this proved to be a serious impediment.

### **Poor Communication of Policy Options within the Ministries Themselves**

The highly centralized system of governance created numerous challenges in the activities of the line ministries. Instead of concentrating on policy making and monitoring the respective sectoral activities, the ministries' employees deal with issues ranging from approvals for hiring cleaners in institutions all over the country to drafting legislation. Hence, the various sectors very often have limited time and manpower to coordinate and provide quality input from their respective points of view.

By organizing events through which the ministries' principals invite all to participate and share concerns with proposed policies, the LGRP's Policy Reform Team has helped change the *modus operandi* of the Ministry of Education and Science in particular. This has resulted in greater understanding of the activities undertaken by the ministry, it has promoted internal communication and has empowered employees to actively participate and take ownership in the proposed changes in the system.

### **Poor Communication and Coordination among Line Ministries**

The coordination among the line ministries in the legislative drafting process under the old system was understood as a process where the ministry proposing a piece of legislation would submit it to the relevant ministries which would then provide written comments, if any.

A more effective way of inter-ministerial coordination was promoted by inviting relevant ministries to participate in working group sessions and involving them in sessions where policy decisions were discussed. This in turn furthered an understanding of the concepts developed and implemented by the working group and consensus building on issues that affected more than one ministry.

## **Assistance in the Process of Legislative Drafting**

The technical assistance provided by the LGRP's Policy Reform Team to the Ministries of Local Self-Government, Finance, and Education and Science was structured according to the needs of the ministries. While the Law on Local Self-Government that was passed on 24 January 2002 provided a framework for the functioning of the local government system, the mechanism for the devolution of the sectoral functions remained to be defined with the separate laws governing the sectors.

The draft text of the Law on Local Government Finance, as per the recommendation of the IMF Mission on Decentralization divided the process of fiscal decentralization in two phases. This set the stage for the activities with the Ministry of Education in the devolution of education functions to the local government.

The approach that the LGRP's Policy Reform Team used in providing technical assistance in policy making and legislative drafting can be described in the following manner:

- A. Framing Big Picture Issues**
- B. Assistance to Ministries in Developing Analytical Capacities Necessary for Rational Discussion**
- C. Legislative Drafting**

### **A. Framing Big Picture Issues**

The project did this through three successful mechanisms:

- Preparing policy and issue papers and communicating them to the policy makers inside and outside the central government;
- Conditioning the technical assistance to the relevant ministries upon establishment of working groups constituted by relevant stakeholders;
- Organizing two or three-day sessions with the working groups outside of their working environment – benefits twofold – first, stakeholder input in the laws, and second, but not less important – providing an opportunity for improving the relations of ministry officials and stakeholders.

The ability to demonstrate to policy makers both an awareness of policy issues as well as the range of possible options needing consideration was critical to the process of providing technical assistance to the ministries. This was usually done through policy and issues papers. This required a grounding in the historical, political, and cultural context within which the assistance was to be provided.

## **B. Assistance to Ministries in Developing Analytical Capacities Necessary for Rational Discussion**

In order to make rational choices between reasonable options, policy makers must have analytical tools. Typically in Macedonia, such tools do not exist. While outlining the issues and providing a range of possible options for the policy makers, the LGRP's Policy Reform Team also equipped the relevant policy makers, both inside and outside the national government, with these tools. Such is the example with the Ministry of Education and Science. LGRP worked with the Ministry of Education and Science in establishing an Analytical Unit, creating a comprehensive database on pupil, employment and financial data. Employees of the Unit were trained to perform various data analyses. LGRP experts designed a simulator, which the Unit staff used for analyzing the consequences of policy decisions in the sector. In seminars and conferences, the employees of the Analytical Unit were able to show to the rest of the Ministry staff the analyses and simulations performed and ones that could be made for the needs of the Ministry. Various Ministry departments then began use of the Analytical Unit.

This process of capacity/tool building in turn strengthens policy makers' confidence in their ability to administer a reformed system and increases the political will necessary for sustainable reform. Once the information necessary to make rational choices between reasonable alternatives is available, intensive deliberations with working groups are used to create internal consensus on policy options and to create ownership of the reforms.

## **C. Legislative Drafting**

LGRP used the following mechanisms to achieve the passing of quality legislation:

- Instilling a transparent and inclusive process that promoted the establishment of expert groups within the stakeholder organizations (ZELS) that discussed the very same policy issues
- Providing forums for stakeholders to discuss policy options at length, which led to more informed policy decisions

The inclusive and transparent process of legislative drafting in the ministries' working groups required quality input from relevant stakeholders, i.e. ZELS, the Secretariat of Legislation (which ends up harmonizing the laws with the system), and other agencies' representatives.

The input from ZELS required establishing policy committee structure within the Association (for more on this, see the section on Association Development) for the purpose of discussing the same issues that were discussed in working group sessions. The benefits were (1) stakeholders were creating positions on various issues, communicating them to the relevant working groups during the process of legislative drafting, and not when decisions were already reached and (2) by participating in the

process, stakeholders were able to inform the public of their positions and concerns. This in turn completely opened the process of legislative drafting.

By bringing representatives of other government agencies into the process of legislative drafting, the awareness and understanding of the issues and concepts discussed was raised both on the part of the legislators from the specific ministries and on the part of other stakeholders. This resulted in bringing the parties to the same level, clarifying the issues, and increasing contribution from each representative, thus producing informed decisions.

## **Citizen Participation**

LGRP conducted a wide range of activities to improve the connection between citizens and their local government. The activities included Citizen Information centers (CICs), public hearings, citizen advisory boards, citizen charters, codes of ethics, media training for local officials and public awareness campaigns. All had the purpose of creating the tools that will be critically important under a decentralized governmental system.

### **CP-2 Citizen Advisory Boards (CABs) – Public Enterprises (years 3 and 4)**

- LGRP provided technical assistance to five municipalities in establishing Citizen Advisory Boards with regard to the work of the Public Enterprises;
- CAB members (representing different stakeholders in the community) worked on a volunteer basis and were given training on different subjects, including strategic planning and project proposal writing;
- After providing technical assistance to the CABs for a year, LGRP gradually phased out its involvement.

#### **Results:**

- The CABs provide two-way communication between citizens and authorities (in this case the communal public enterprises);
- Their activities have included conducting citizen surveys to identify citizens' needs and opinions regarding communal services, on the basis of which they have designed further activities in their Strategic Plans;
- The CABs have been actively involved in recommending ways to improve the delivery of existing services and have helped educate citizens on the need or requirements for new services;
- Some CABs have continued cooperating with other donors and implemented numerous projects.

Concern:

- Sustainability of a citizen advisory board will be difficult without support of the Enterprise or the municipality or both; this tends to jeopardize the CAB's independence

#### **CP-2 Municipal Officials Capacity Building (year 4)**

- In cooperation with the international organization "Partners for Democratic Change", LGRP team participated in implementation of the program "Strengthening Local Democracy in the Stability Pact Region";
- Representatives from LGRP attended three interactive regional training-of-trainers (TOT) sessions (in Bucharest, Warsaw and Sofia), on the following topics: Elected Leadership Roles; Communication and Outreach Skills for Municipal Officials; and Improving Transparency and Accountability in Local Government;
- After each TOT, LGRP participants organized trainings for elected and appointed municipal officials in Macedonia.

Results:

- Mayors and Councilors from fourteen small municipalities were trained in Elected Leadership Roles;
- Members of the municipal administration from fourteen municipalities were trained in Communication and Outreach Skills for Municipal Officials;
- Eleven employees from Veles were assisted in developing a Code of Ethics in order to improve transparency and accountability in their local government.

#### **CP-3 CIC Network (years 3 to 5)**

- LGRP technically and financially supported the idea raised by the CIC staff to create a CIC Network
- Monthly meetings were organized for all CICs staff members in order to share experience and best practices, as well as to search for solutions to resolve common challenges
- A number of guest speakers were invited to participate at the Network monthly meetings in order to increase the staff's knowledge on donors' resources available in the country, and opportunities for funding projects in the municipalities;
- Strategic Planning Workshops were organized and each CIC designed a Strategic Plan
- A planning workshop for the CIC Network – ZELS cooperation was organized, and participants formulated guidelines for mutual communication and coordination of activities among CICs and ZELS.

Results:

- CIC strategic plans were adopted at the session of the Municipality Councils, and centers have started the plans' implementation;
- ZELS – CIC Network formal cooperation has been established;

Concern:

- The biggest challenge to the program was that Municipal officials did not recognize the benefit of CIC data collection and data analysis (number of citizens using the center and the main issues of citizens' concern), and therefore CIC staff lacked incentive to collect such data.

#### **CP-5 Local Government Media Training (years 2 to 4)**

- Workshops for basic training for officials of LGRP municipalities and rural municipalities were delivered. These trainings outlined mechanisms and techniques of media relations and operations including press conferences, press releases, public addresses and the role of the local government official as facilitator for local government-to-citizen dialogue;
- Advanced Media/Public Relations Trainings were delivered to municipal officials, council members and Local Economic Development (LED) program coordinators. Among the subjects: more in-depth and practical experiences to the local government staff, on-camera interviews and advanced knowledge of PR techniques.

Results:

- Over one hundred local government officials were trained in basic and advanced media/public relations training. This enhances the ability of local officials to communicate and lead their citizens.

#### **CP-5 Citizen Information Centers (CICs) (years 2 to 5)**

During the life of LGRP, LGRP supported the formation of Citizens Information Centers in 18 municipalities, including five of those that have added one-stop building permitting centers. Support included an intensive MOU process with selected municipalities, technical support for a baseline assessment, physical design, budgeting and staffing, establishment of citizen advisory boards and the development of request/complaint tracking systems. The goal was to expand municipal customer service and transparency, thereby improving services and deepening citizens trust in decentralization and local governance.

Key activities in this area included:

- Providing funding and technical support to municipal offices to give citizens access and information about municipal government



- Directly establishing eleven Citizen Information Centers (CICs), and subsequently assisting municipalities in locating other donors for CICs while continuing to provide training and technical assistance
- The CICs, on their own initiative, established a support Network which became another LGRP activity and a proactive entity.

**Results:**

- Innovative, active citizen relations offices exist and have benefited their communities;

**Concern:**

- Insufficient citizen awareness of the resource has been the biggest challenge.

### **CP-7 Public Hearings – Municipal Budgets (years 3 and 4)**

In Year three, LGRP assisted fourteen municipalities in holding public hearings on the municipal budget, in order to increase and improve communication between the local government and the citizens and to involve the citizens in the work of the municipality. As part of the exercise, printed materials in both Macedonian and English text were produced explaining the revenues and expenditures of the municipal budget, as well outlining how both communal funds and specific funds set aside for such needs as the construction of roads and infrastructure improvements were divided. These materials were then distributed to the citizens to prepare them for the hearings.

**Results:**

- Some of the mayors expanded the initial efforts even further, holding separate hearings in each neighborhood unit in the municipality (one mayor held over thirty such hearings on his own initiative after working with LGRP);
- As a result of the successful experience in assisting the municipalities in holding public hearings on the municipal budget, LGRP prepared and published a manual on how to conduct public hearings. It was published in Macedonian, Albanian and English.

### **CP-7 Strengthening the Analytical Capacity of CICs (year 4)**

- After having established several CICs and having gathered feedback on their working experience, LGRP made an evaluation to determine the needs of these offices and what areas they should develop in the future;
- An expert's report contained guidelines on how to strengthen the analytical capacities of the CICs;

- The findings of the reports were presented to the staff from all CICs at a workshop.

**Results:**

- A workshop was held to communicate the recommendations on how to improve processing information that the CICs receive from the citizens and how to convey it to the mayor and other responsible officials.

**CP-8 Youth Leadership Initiative “MakAction” (year 3)**

- Young volunteers from the municipalities of Kriva Palanka, Kumanovo, Sveti Nikole, Kocani, Kicevo and Tetovo were selected for this exercise in volunteerism;
- After they were introduced to the concept of volunteerism, they were trained and assisted in developing action plans and activities.

**Results:**

- The MakAction volunteers implemented most of the planned activities. These included schoolyard cleanup, an inter-ethnic youth dialogue, art and swimming lessons and general neighborhood cleanup work;
- LGRP provided T-shirts and caps for all the volunteers involved in the process.

**Concern:**

- The local NGO that assumed oversight may not have shared USAID’s vision as to the merit of the venture; their interest appeared to have been only the availability of donor funding for their organization; the sustainability plans of such activities must scrutinize carefully the proposed successor organizations

**CP-12 Code of Ethics for Municipal Officials (year 5)**

- Technical assistance was provided to four selected municipalities (Karpos, Kavadarci, Kriva Palanka and Centar) to develop a Code of Ethics in order to place all the principles and values that they should be promoting in their daily work into one single document that would be available to all.

Results:

- Each municipality developed its Code of Ethics through a participatory process. An average of fourteen members from different municipal departments as well as staff from several ministries were engaged in the process.

Concern:

- Because this was a Year Five activity, follow-up data on implementation is unavailable; it could be monitored by the MDW project

**CP-13 Citizens' Charters (year 5)**

In Year 5, LGRP assisted two pilot municipalities (Veles and Prilep) in developing a Citizens' Charter - a document that helps increase the transparency and accountability of the municipal government.

Results:

- Both charters were prepared through a participatory process involving employees from all municipal departments, as well as regional ministries, and incorporating citizens' input;
- Posters were printed and displayed in the municipalities and brochures distributed to citizens through CICs and at various events.

Concern:

- Because this was a Year Five activity, follow-up data on implementation is unavailable; it could be monitored by the MDW project

**CP-14 Public Education Campaign on Decentralization (year 5)**

In Year 5, LGRP assisted the Ministry of Local Self-Government with the Public Education Campaign on Decentralization. The effort also involved numerous other partners, such as donors, NGOs, etc. The campaign was implemented through a series of activities including:

- a two month intensive media advertising campaign (newspaper ads, billboards, TV and radio jingles, a web-site, etc.)
- a series of seven roundtables with journalists; a series of ten NGO forums on decentralization; municipal events that promoted decentralization; newspaper articles by experts
- open TV programs on the issue with experts to promote the process of transferring authority from the central to the local level.

### Challenges and Lessons Learned:

- The timing of the campaign coincided with the central government's agenda for adopting the Law on Territorial Organization, which caused discontent among the population. Even though the campaign was a large endeavor covering many fronts, lasting positive effects were hampered by this situation.
- As even the best-designed public campaign can be derailed by political events outside its control, contingency plans should be developed from the beginning to address any challenges or, if necessary, abandon the effort.

## **Association Development**

### **ZELS**

#### **Institutional Strengthening**

Throughout the five year term of LGRP, the project was the principal partner to ZELS; it is fair to say that LGRP's continuous and extensive technical and financial assistance played a role in every success achieved by the Association. The AD activities aimed at the organizational strengthening of ZELS were numerous and varied. These focused on internal structure and participation, finance and management issues, as well as members' communication strategies to ensure their future organizational and financial sustainability. As the result of these activities ZELS, with strong and continuing support from LGRP:

- Developed their first Strategic plan, annual work plans and budgets that served as guides for the associations in achieving their visions and stated goals and set out the necessary action and financing plans to ensure these goals and objectives were achieved
- Designed a new staff structure increasing the two-member-staff to a group of ten professionals serving the organization members.
- Restructured their financial and managements systems that improved the Association's operations in the area of financial reporting, budgeting and procurement systems.
- Developed a communication strategy that outlined key strategies for reaching out to members, media, and all interested stakeholders.
- Regularly designed, produced and distributed their monthly newsletters.

#### **Policy Process Development**

The Association Development Team provided assistance to ZELS in establishing an internal policy making process to legitimately represent the views of the members and to have the capacity to represent effectively their membership in the policy-reform working groups at the national level. The major results of these efforts were the following:

- A solid and more inclusive committee structure was established. Within this structure, committees of ZELS members with relevant expertise and backgrounds were set up to address policy issues and develop proposals, comments, drafts of legal acts and positions before the ZELS Standing Committee and the central government.
- ZELS identified key policy priorities with respect to implementation of the new decentralized functions set forth in the new Law on Local Self-Government and conducted its legislative research, drafting and advocacy efforts by providing comments and/or amendments in the following areas: property tax, urban planning, sports and culture, education, communal operations management. This input had significant positive effect on the draft legislation.
- ZELS emerged as an influential stakeholder in the legislative reform area. The association took carefully reasoned positions that had significant effect in the decision-making process.

### **Local Government Advocacy**

The LGRP assistance in this area focused on training effective lobbying techniques as well as technical assistance in designing grassroots advocacy strategies to assist the associations and their members in (1) representing the interests of their communities and citizens to the central government and (2) building effective coalitions among key constituencies to promote meaningful policy dialogue and reform.

Results included:

- ZELS organized regional meetings in all one hundred twenty-four municipalities that not only fostered greater collaboration between ZELS and its municipal partners and members but also stimulated an interactive national discussion on government reform, collected valuable input and alternatives, revealed common themes and issues around which a ZELS policy consensus could be reached, and elevated the stature of the organization
- ZELS and the Government of Macedonia signed the Memorandum for Cooperation which main goals were to establish a mutual cooperation and coordination of the activities for improvement of the local self-government system and implementation of the decentralization according to the Law on Local Self-Government.
- ZELS' representatives participated in various Parliamentary Commissions where legislation of importance to decentralization was discussed.

## **Grant Support**

Another key type support that LGRP provided to ZELS was financial assistance in the form of grants to sustain the Association's efforts to influence the decentralization process as well as strengthen their institutional structures. This mechanism enabled ZELS to:

- Develop their capacity to manage and allocate resources
- Develop and implement transparent hiring, purchasing, accounting and budgeting systems
- Put in place internationally accepted and recognized financial administrative procedures

## **AFO**

The LGRP assistance to the Association of Finance Officers and Public Enterprises was mainly directed towards:

- organizational strengthening, and
- developing capacity of the Association to develop and deliver new services to their members.

The key results of these efforts were the following:

- a signed Memorandum of Cooperation between AFO and ZELS;
- the establishment of an AFO professional executive office;
- the establishment of a network of regional coordinators;
- the introduction of a series of services including: publishing of a monthly newsletter, informational brochures, and conducting of workshops and trainings for their members.

The highlight of the Association Team support was the creation of the capacity among the AFO members to develop studies to assess the situation concerning the property tax, financial capacities of the municipalities, as well as financial sustainability of the Public Communal Enterprises which served as resource materials for ZELS' Policy committees in their policy positions development.

Concern:

- In the last year of LGRP, there were indications that the administration of AFO was not fully transparent; accordingly, LGRP, in consultation with USAID, suspended grant support and began to advise AFO on ways to correct the deficiencies. By the close of LGRP, AFO had begun moving toward reform but grant support had not yet resumed.

## **MAKKOM – ADKOM**

The Association of Communal Public Enterprises (PCEs) was dramatically and positively transformed through the LGRP support. The institutional change led the for-profit company MAKKOM to evolve into a mission-based nonprofit and nongovernmental association. The process included:

- A thorough needs assessment of the MAKKOM organizational capacity
- Recommendations for the possible new forms of organization (legal entities) it might consider
- Consensus-building among key PCEs in the country to develop a new type of association. In this process, the Skopje Water Company, the biggest potential member, also decided to join the association
- Development of the new nonprofit by-laws and all the necessary registration documents
- Organization of a founding assembly and the final court registration of the new nonprofit association of public enterprises named ADKOM

In addition to the above capacity-building support, LGRP guided MAKKOM in developing and advocating for its policy positions related to decentralization issues relevant for the delivery of public services. At one point MAKKOM consolidated its positions with ZELS and jointly presented them to the Parliamentary Committee sessions.

## **Municipal Management**

### **One-Stop Permitting Centers (OSPCs) (years 3 and 4)**

*[Note: This activity was originally designated as a Citizen Participation activity but was, ultimately, a Municipal Management activity; see also MM-12, below]*

- Technical assistance, equipment and software were provided to nine municipalities in Macedonia in order to support the improvements in the process of issuing construction permits
- USAID's Community Self-Help Initiative provided one half of the funding required for purchasing the equipment and the software necessary for building the system
- Part of the funding required for establishing the OSPCs was provided by the municipalities participating in the project
- In cooperation with the local urbanism staff from a dozen of municipalities, software for issuing construction permits was developed. The software was

delivered and installed in nine municipalities throughout Macedonia and it was accompanied by two manuals related to the software (a manual for the administrators of the system and a manual for the software users). A total of ninety municipal urbanism officials were trained in the use of the software for issuing construction permits

- Based on the remarks and suggestion related to the software improvement, the official alpha version (version one) was developed

#### Results:

- Nine One-Stop Permitting Centers (OSPCs) were established
- The Front Office/Back Office concept was introduced in the procedure of issuing construction permits
- A significant reduction of the time required for issuing construction permits was recorded. The leading municipality in this process has managed to reduce the issuing time from eighty to only four days

### **City Rent (Year 2)**

This activity was not implemented because LGRP was unable to find any interested municipal partner for implementation. With USAID's approval the activity was canceled.

### **MM-1 Visible Improvements (year 4)**

One of the tasks of LGRP in Year 4 sets was the goal “to help municipalities demonstrate that they can and are improving direct services in order to build confidence in municipal governance...” DAI was asked to complete “an assessment that creates the basis for a program that enables visible improvements in municipal services.”

The activity that was designed built on citizen participation and transparency in the creation of an ongoing outreach communication program at the municipal level by the means of publication of Annual Reports to the citizens and their dissemination and public presentation.

Based on previous cooperation, three municipalities (Veles, Gostivar, and Kavadarci) were selected as pilot municipalities for this activity. The “Annual Municipal Report” included the municipal accomplishments, goals and priorities for the coming year and a financial statement for the municipalities of Veles, Gostivar and Kavadarci. The activity was implemented successfully by developing, printing and disseminating the reports. All three mayors held press conferences after the Reports' publication. The staffs in the Citizen Information Centers were engaged in the preparation phase and in collecting of the feedback from the citizens. The results were positive.



Results:

- All three municipalities developed and published their reports on time.
- This experience was used and presented through ZELS' Standing Committee to make it available to all other mayors

### **MM-2 Cost Allocation-Financial Management (Years 2 and 3)**

A standard revenue and expenditure reporting system was prepared to provide regular reports allocating the costs of specific activities to the appropriate functions of the public enterprise. In cooperation with ZELS and AFO, this software was provided to nineteen municipalities for use in managing general funds. The system generated many benefits including better planning and budgeting in anticipation of the coming devolution of authority. LGRP provided computing equipment and installed this equipment in thirteen municipalities and five public enterprises as well.

Results:

- Public Enterprises improved the information systems available for decision-making and management;
- Local Governments enhanced their ability to manage municipal services.

### **MM-3 Human Resource Development (years 2, 3,4, and 5)**

- In Year Two the Human Resource Development (HRD) team created a template for an Employees' Handbook and a pilot project was implemented in Kocani
- In Year Three the HRD activity was rewritten into the concept of coordination of the major municipal training providers in Macedonia
- Based on requests from major donors who are training providers, the HRD team undertook a facilitation role in the process of coordination
- After establishment in Year Three and a year of technical assistance, the ZELS Training Coordination Office , became a sustainable enterprise that continues to function effectively and will contribute to ZELS' post-donor financial sustainability
- Regional workshops on legislation and regulation were conducted in Year Four;

Results:

- With the blessing of major donor training providers, the office for coordination of training was established in ZELS

- A survey was conducted of all municipalities regarding their training needs and priorities; another survey was conducted on training providers (domestic and foreign )
- A comprehensive database on training coordination was developed and relevant data were entered
- Several matches of training needs and training providers were achieved
- ZELS Training Coordination Office established an annual fee for usage of the database and four donors paid the fee to support the effort
- Manuals on legislative issues were developed as a result of the workshops conducted.

#### **MM-4 Local Economic Development (years 3, 4 and 5)**

- In the two-year pilot phase, a series of trainings on the community profiling, strategic planning and action planning processes were conducted for thirteen municipalities;
- Implementation of the municipalities' Strategic plans was supported with information, donor contacts and technical assistance;
- Replication of the LED program was delivered, through ZELS, in one new municipality, Veles, in the final year of the project;
- The First National Conference on Local Economic Development in Macedonia was held in Skopje , fall 2003 with four hundred participants;
- The LED coordinators on their own initiative established an LED Network which was supported by LGRP, VNG International and ZELS, and has made important contributions on LED legislation changes and on the replication of the process.

#### **Results:**

- All LED offices continue to work after the end of LGRP support;
- All Strategic plans have been publicly presented;
- Ten LED plans have been adopted by the Municipal Councils;
- Two thirds of the municipalities have continued meetings of the local LED advisory committee;
- All thirteen municipalities reported some success in plan implementation since the completion of the strategic plan;
- Ten of the municipalities have web sites.

#### **MM-7 Performance Measurement (year 3)**

The goal of this activity was to provide technical assistance to up to seven municipal public communal enterprises (PCEs) to enable them to create a performance standards system in services such as sanitation collection, public space hygiene maintenance etc. In addition, a US expert delivered a workshop for all interested PCEs. Based on the

work plans that the enterprises submitted, LGRP delivered direct technical assistance in establishing the Performance Standards System in five PCEs.

Challenges and lessons learned:

- The period of four months for implementation was too short to have real impact
- The public enterprises were not prepared for developing such an important and complex performance standard system.
- The exiting laws relating to communal issues did not provide the enabling environment for reform

### **MM-7 Public Procurement (years 3 and 4)**

The purpose of this activity was technical assistance to help municipalities demonstrate that they can improve transparency and services to citizens and build confidence in municipal governance through improved public procurement procedures. The activity includes securing the commitment of mayors to implement improved and more transparent procedures and regulations prescribed by the existing Law on Public Procurement.

Results:

- LGRP Delivered Training of Trainers for municipal technical staff as well for ZELS, AFO and MAKKOM representatives
- LGRP helped conduct four regional workshops for municipal technical staff and communal public enterprises representatives and again for ZELS, AFO and MAKKOM representatives.
- Trained a number of representatives in transparent public procurement:
  - Sixty-three representatives from local self-government and communal public enterprises;
  - three MAKKOM representatives
  - five AFO representatives
  - three ZELS representatives
  - five representatives from the State Commission for Prevention of Corruption
- More than thirty mayors and directors of communal public enterprises committed to implementing improved and more transparent public procurement processes.

### **MM-8 Water Improvement (years 2, 3 and 4)**

The goal of this activity was to increase water supplies, to decrease the costs of delivering water and to generate a greater citizen understanding of the factors and costs involved in the delivery of high quality water. It was implemented in cooperation with

Association of Public Enterprises (MAKKOM), CSHI and ZELS by providing equipment (for leaks detections), training, study tour and technical assistance and on Water Loss Management along with a public education campaign. The equipment (funded by CSHI) has been given to ZELS to generate revenue by managing its use.

**Results:**

- The equipment has been an enormous success, saving water and supporting ZELS, through the Association's management of the system for a fee from each user
- Communal public enterprises were able to learn and implement information about the new technologies, new instruments, new methods and new approaches in the field
- Almost all enterprises have used the equipment for leak detection (some of them more than twice)
- To be effective, a public awareness campaign needs the resources to operate for a sustained period of time; one month is insufficient for lasting impact

**MM-8 Stock Exchange (Virtual Parts and Services Exchange) (year 3)**

LGRP designed and implemented as a tool to help public enterprises exchange services and spare parts and to create common procurement practices for common needs (parts and/or services). This idea was implemented by designing an application software, posting the application on a web site, and updating it on a weekly basis. This web-based tool for handling the Parts and Service Virtual Network was completed between April and June 2002. The MM team coordinated its efforts with the inventory departments of the public enterprises in Kocani, Debar, Bitola and Skopje. Some commercial firms which sell to public enterprises supported this activity as well by helping to prepare the database of materials that are used in water departments. Around 5,000 materials, pipes, connectors and meters were classified based on function, size and other attributes.

**Results:**

- A database for services and parts in Macedonia has been developed.
- Public enterprises were not properly equipped and time was too short (five months after the first workshop).
- The software and database exist and can be updated and applied by ADKOM in the future.

### **MM-11 Small Municipalities Needs Assessment (year 4)**

The goal of this activity was to assess how USAID might help municipalities with populations of 5,000-10,000 people improve municipal management. The assessment of the management development needs of small municipalities occurred in four phases:

- Sending questionnaires to all elected officials. Through these questionnaires, the team then defined municipal priorities, capacity and management training needs.
- The completed questionnaires were tabulated and priorities defined (infrastructure, water supplying system, sewage, waste collection and disposal, local economic development, among others)
- Criteria were determined accordingly in which five municipalities were chosen for further study. These criteria included: geographic, ethnic and political balance, legitimate responses to the questionnaires and previous foreign support or involvement in USAID or other donor programs.
- At the conclusion of the exercise, five field visits had been conducted in five selected municipalities: Pehcevo, Murtino, Krivogastani, Oslomej and Cucer Sandevo.

Regardless of the fact that these municipalities differ in range of specifics which originate from natural conditions, number of citizens, tradition, urban background, street network, etc., the general appearance of these municipalities was poor. Almost all of them have the same infrastructural, communal and socio-economic problems. Municipal councils have rarely adopted developmental strategies, and few of the employees show enthusiasm, initiative and willingness to move forward without direction from the state. Moreover, the belief in a serious lack of funds was an insurmountable obstacle to this process.

The data and conclusions were submitted to USAID and to CSHI to assist in their decision-making process for improvement activity awards. The information also notified LGRP on what actions were needed in the final year and contributed to the knowledge base for planning capacity-building work in the future.

### **MM-12 Urban Planning (years 4 and 5)**

The main activities included:

- Technical assistance, equipment and software were provided to ten municipalities in Macedonia to facilitate improvements in the urban planning work of the municipalities
- A considerable portion of municipal Urban Plans for the urbanized sections of the municipalities (approximately 60%) was provided to the municipalities in order to improve their urban and spatial planning capacities. In addition, for

the same purpose, satellite images covering the urban areas of six municipalities were provided to these municipalities

- Geographic Information System (GIS) was introduced as a new tool in the work of the municipal urbanism sectors
- A detailed structure of the Macedonian municipal GIS database was developed and contains one hundred four layers
- Establishment of Urban and Spatial Planning Department capable to implement the initial phase of the procedure for developing new urban plans in was supported by the project in one municipality

Results:

- Ten Urban Planning Centers (UPCs) were established,
- One Urban and Spatial Department was established,
- Seventeen municipal employees were extensively trained in using GIS software.

### **MM-13 Property Tax (years 4 and 5)**

During 2003, ZELS in cooperation with the Ministry of Finance developed a pilot program for Property Tax Collection in the regions of Veles, Gostivar, Sv. Nikole and Struga (including twenty-five municipalities). Within the pilot areas, the Minister of Finance transferred the authority of administration and management of the property taxes and communal fees to four pilot municipalities to last until the new Law on Local Finance is adopted. LGRP played a significant role in initiating and developing this program. Pilot projects received technical assistance, training, workshops and equipment in order to successfully implement specific activities in each pilot municipality all with one common goal: to use this experience and prepare all other municipalities for assumption of the municipal tax collection authority. Some activities included: public outreach campaigns, trainings of the local valuation commissions, matching of PRO/ Cadastre databases and producing variance reports, and preparing and printing of property tax bills.

Results:

- For the first time in several years, tax bills were sent on time (end of March 2004).
- A property tax pilot lessons-learned workshop was held and a toolkit prepared in May 2004.
- There was an overall increase in tax collection in all four pilot regions.

*Note: the following activities were unnumbered startup activities which established the foundation for the numbered activities of the subsequent work plans.*

### **Pilot Municipalities Program (year 1)**

In January 2000 LGRP finished the process of the pilot municipality selection. Selection of the municipalities was done in coordination with USAID and Ministry of Local Self Government. The five selected municipalities were Gostivar, Debar, Stip, Kavadarci and Struga. The team relied heavily on the feedback from the LGRP municipality questionnaires distributed to fifteen Macedonian municipalities in December 1999. The findings from the questionnaire were very helpful both in identifying the municipalities' priorities as well as for using the results as a catalyst to launch the LGRP program. The main goal was defined as a discussion of current management issues and problems. In addition to the replies to the questionnaire, the activity team relied on the following criteria for selection:

- Geographical location
- Size of municipality
- Ethnic composition
- Political composition
- Former DAI / LGRP municipality

### **Work Plan for selected pilot municipalities**

After the process of selection of pilot municipalities (Gostivar, Debar, Stip, Kavadarci and Struga), the LGRP team worked closely with representatives from each municipality to identify specific fields for LGRP assistance. LGRP team continually coordinated this activity with the responsible municipal officials and municipal council representatives, as well as representatives from the community. Accomplishments in each pilot municipality were:

- Kocani - Human Resource Development Manual including municipal job descriptions, forms and techniques for evaluation of employees and recruitment procedures.
- Gostivar - Financial Management/Budget Improvement Project.
- Gostivar - Parking Management Project.
- Struga - Municipal Management Sanitation Improvement Program.
- Struga - Parking Management/Revenue Enhancement Project
- Kavadarci - Utility Performance Standards and Financial management
- Kavadarci - Design and implementation of the City Rent collection system (later discontinued)
- Stip - Management Information System
- Stip - Personnel Administration System

- Debar - Financial Management/Budget Improvement System
- Debar - Management Information System (MIS)

## **V. Knowledge Management**

LGRP lessons learned and best practices gained over the period of five years of project implementation were compiled in a legacy product (CD-ROM and printed book) in three languages (Macedonian, Albanian and English) with the aim to be used as programmatic and development guidelines including financial responsibilities, citizens' involvement, improvement of local government management capacity, and development of advocacy channels for local governments.

Most of the LGRP results, expertise and experience were captured as well as the models developed by LGRP partners and tried and tested ways of making local government more effective, responsive and accountable.

### Results:

- A CD-ROM and a book were distributed through ZELS to all 124 municipalities
- Also distributed to the line ministries.
- LGRP legacy materials placed on ZELS and DAI web sites and thus made available for wider use.



## **VI. Programmatic Observations**

- Continuing close communication and coordination with the USAID Mission is a critical element for success. LGRP, throughout its tenure, had the benefit of excellent relations with a dedicated and knowledgeable CTO and other Mission personnel.
- Similarly, attention should be paid to opportunities for interaction with other USAID projects. LGRP succeeded in this in some areas and less well in others.
- Coordination with other donors, while always challenging, can be achieved in some measure with persistent efforts. The support of the Mission and the Embassy are necessary and were present in this project.
- Activities within the project must be integrated. One example is the support provided by ZELS to the policy process and to the training efforts. Another is the connection between LED and Urban Planning. Such coordination takes constant attention but is worthwhile.
- The Performance Measuring Plan (PMP) should be incorporated into all activities from the outset. Designing the activity and the indicators together improves both. Attention should also be paid to data collection methods, particularly from local partners. Requesting that data be submitted solely because USAID requests it is insufficient; reasons that benefit the partners themselves should be provided whenever possible.
- The personal relationships that local project staff develop with local partners are a critical factor and should be encouraged and supported in every appropriate way.

## **VII. Administrative Observations**

- A comprehensive and staff-friendly Management Information System (MIS) should be in place from the outset of the project. It is important both for project operations and for closedown.
- The commitment of funds for local staff development is a most worthwhile use of funds. The funding approved by USAID under LGRP in Years 4 and 5 allowed dedicated local staff to improve their professional skills in ways that would have been beyond their reach without the program.
- Flexibility in the implementation of the Work Plan is vital. This depends upon the close working relationship, mentioned above, between the project and the Mission. Innumerable and unforeseeable changes in the political landscape are so commonplace that a rigid work plan cannot respond effectively.



# MACEDONIA

## LOCAL GOVERNMENT REFORM PROJECT

The USAID-sponsored Local Government Reform Project is helping Macedonia develop more effective, responsive and accountable local government. To achieve this, LGRP supports activities in the following municipalities:

### Municipalities with Major Activities Supported by LGRP

	LED	CIC	CAB	PMS	WR	FM	CF	CM	UP	PER	PTP	PPT	VIA	BPH	WPD	HRD	MIS	MAV	O	Population
Bitola	■	■			■							■		■			■		*	86,176
Centar	■	■																	*	85,021
Debar	■		■	■	■		■					■		■	■		■	■	*	17,586
Gostivar	■	■					■		■		■		■	■	■			■	*	43,567
Gevgelija				■	■					■			■						*	19,459
Ilinden						■													*	14,562
Karpos	■	■												■					*	58,359
Kavadarci		■	■	■					■	■			■		■			■	*	36,192
Kicevo																		■	*	27,443
Kocani	■	■	■		■									■			■	■	*	31,764
Kriva Palanka	■	■			■			■						■			■	■	*	20,695
Krusevo	■	■		■														■	*	9,690
Kumanovo	■	■					■	■						■				■	*	89,626
Makedonski Brod						■														6,077
Miravci																				2,779
Negotino	■	■	■		■			■	■	■									*	18,955
Prilep		■			■				■					■					*	71,124
Resen					■														*	17,419
Saraj						■													*	13,734
Stip							■												*	46,791
Struga		■							■	■	■								*	35,137
Strumica	■																		*	42,953
Suto Orizari		■																	*	14,301
Sveti Nikole	■	■		■	■			■			■							■	*	18,487
Tearce																			*	22,405
Tetovo	■	■			■				■	■							■	■	*	65,565
Valandovo					■														*	12,049
Veles	■	■	■				■	■	■	■	■	■	■					■	*	56,547
Vinica						■		■											*	17,078

LED	Local Economic Development
CIC	Citizen Information Centers
CAB	Citizen Advisory Boards for Public Enterprises
PMS	Performance Measurement System / Technical Assistance to Public Enterprises
WR	Leak Detection Systems and Water Conservation Public Awareness Campaign
FM	Financial Management Software and Technical Assistance / Local Finance Officers
CF	Computers for Financial Management
CM	Computers for members of ZELS' Standing Committee
UP	Urban Planning
PER	Permitting
PTP	Property Tax Pilots (Regions)

PPT	Public Procurement Trainings
VIA	Visible Improvements / Annual Reports
BPH	Budget Public Hearings
WPD	Work Plans Development
HRD	Human Resources Development
MIS	Management Information Systems
MAV	Mac Action Volunteers

O Original 1999 LGRP Target Municipalities (17)  
Note: Public procurement trainings are being conducted in a total of 56 municipalities



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